



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 29, 2009

Adam T. Porter, Sr. Dir. Global Training & Development
Edwards Lifesciences LLC
One Edwards Way
Irvine, CA 92614

Dear Mr. Porter:

RE: Final MONITORING VISIT REPORT for Edwards Lifesciences LLC - ET07-0357

Date of the Visit:	4/03/09
Beginning/Ending Time:	N/A
Date of Last Visit:	12/04/08
Visit Location:	Via Teleconference
Persons in attendance:	Adam T. Porter, Sr. Dir. Global Training & Dev.; Rob Sanger, Manager, CMTA; and Krista Campion, Contract Analyst, Employment Training Panel
Action Required:	NO

CONTRACT INFORMATION

Term of Agreement:	5/08/07 – 5/07/09	Agreement Amount:	\$1,738,800
Training Start Date:	5/08/07	Average No. to Retain:	700
Date Training must be Completed:	2/06/09	Range of Hours:	24 – 300
Type of Trainee:	Retrainee	Weighted Ave. Hours:	138

*ACTION ITEMS REMAINING
FROM THE PRIOR VISIT:*

- None

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ETP (05/16/2007)

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on 6/08/07. Training commenced on this project on 5/08/07 and the last day of ETP training was 2/06/09, which allows for the 90-day retention period to be completed within the term of the Agreement – 5/07/09.

There were no Agreement Modifications or Amendments processed during the term of this Agreement. However, ETP processed a Notification request on 1/12/09 to change the contract representative in the Agreement from Claudia Thair to Adam Porter, Sr. Director Global Training & Development.

• INTERVIEW WITH ADAM PORTER, SR. DIRECTOR GLOBAL TRAINING & DEVELOPMENT

Edwards Lifesciences is a medical device company whose primary focus is developing innovative technologies for the treatment of cardiovascular disease, specifically in the areas of heart valve therapy, cardiac surgery, vascular therapy, and critical care. This project was developed to train approximately 700 retrainees in Business skills, Continuous Improvement, Manufacturing Skills, Computer Skills, Literacy Skills and Management Skills for its workers located at the Irvine California facility.

Mr. Porter stated that although Edwards Lifesciences will not earn the maximum amount of the ETP Agreement, the training that was conducted was very effective and beneficial to the company. He reported that more Manufacturing Skills training was provided than originally planned. According to Mr. Porter, the Manufacturing Skills training increased the ability of the trainees to produce products in a more effective and timely manner, and improved the quality of the Edwards' products. He also stated that the Continuous Improvement training increased workers' ability to understand new processes and new product development.

Mr. Porter also reported that due to a slowdown in the economy, some training was not delivered as planned. As a result, many trainees did not reach the minimum number of training hours to qualify for reimbursement. See below for the projected earnings.

PROJECT AND TRAINING STATUS PROVIDED BY THE CONTRACTOR

Trainees Started Training:	2006
Enrolled:	840
Dropped Following Enrollment:	0
Completed Minimum Hours:	467
Completed All Training:	467
Completed Retention:	467*

PROJECTED EARNINGS / NUMBER TO RETAIN

*At the time of the Monitoring Visit, Mr. Sanger confirmed that 467 retrainees had completed the minimum number of hours to qualify for reimbursement, which is consistent with the information in the ETP class/lab tracking system. The per trainee reimbursement for class/lab training is based on the total actual number of training hours completed for each trainee, provided the minimum (24) and no more than the maximum (300) class/lab training hours are completed, and all other Agreement terms and conditions are met.

The 467 retrainees referenced above have completed from 24 to 300 hours of class/lab training, for a grand total of 37,800 hours of training. This equates to a potential reimbursement of \$680,403 assuming that all Agreement performance requirements are met. This amount is approximately 39 percent of the Agreement amount.

APPROVAL FOR TEMPORARY TO PERMANENT HIRING

Edwards Lifesciences was granted ETP approval on 4/14/09 to place seven trainees who were trained while working at a staffing company prior to being hired full-time by Edwards.

COMPUTER-BASED TRAINING (CBT)

At the time of the visit, Mr. Sanger was projected to upload a substantial number of CBT training hours into the ETP tracking system. Subsequently, he informed the Analyst that there was only a minimal amount of CBT to be uploaded to ETP's systems, primarily because most of the CBT completed was for those trainees who had less than the 24 training hour minimum to qualify for reimbursement. Additionally, Edwards Lifesciences requested and was approved a variation in the employer signature requirement for CBT; only one full employer signature will be required for all CBT provided under this Agreement, rather than signatures for each CBT course.

AUDIT

Edwards Lifesciences LLC will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment

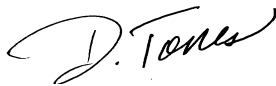
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Ms. Campion at 619-686-1917, or at kcampion@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager
San Diego Regional Office



Krista Campion, Contract Analyst
San Diego Regional Office

cc: Adam T. Porter, Sr. Dir. Global Training, Edwards Lifesciences
Rob Sanger, Manager, CMTA
Brian McMahon, ETP Executive Director
David Guzman, ETP Chief of Operations
Kulbir Mayall, ETP Fiscal Manager
Master File
Project File